



DEPARTMENT OF INSURANCE
STATE OF NORTH DAKOTA

Jim Poolman
Commissioner of Insurance

June 7, 2006

Mr. Michael Benedict McCallister
President and CEO

James S. Theiss
Chief Privacy Officer

Humana Inc.
500 West Main Street
Louisville, KY 40202

Fax: (502)580-3690

Dear Mr. McCallister and Mr. Theiss:

Incredibly, after expressing my outrage in letters dated May 31, 2006 and June 6, 2006 over a security breach of Humana Inc.'s policyholders' private information and the company's disregard for communicating this breach to me immediately—*it has happened again!*

The North Dakota Insurance Department is receiving telephone calls from anxious Humana Inc. policyholders, distressed this time over the letter from your company advising them that their personal identification, including their social security numbers, has been inadvertently exposed to the public in the Baltimore hotel incident.

As was the case in the previous breach of security involving the theft of applications from an unlocked vehicle, we have not been notified by representatives of your company of this second exposure of personal identification data affecting North Dakota consumers. This lack of safeguards to protect the private information of your policyholders is apparently widespread and is of tremendous concern to me.

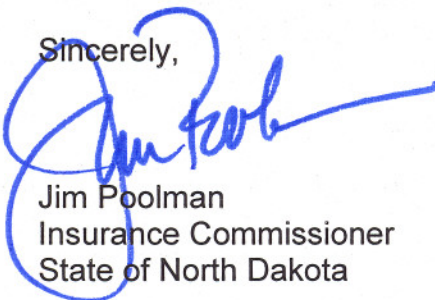
Please respond as soon as possible, but within five business days, with the following information on this latest breach of personal identification data of your policyholders:

- 1) Why has Humana Inc., *yet again*, failed to notify the North Dakota Insurance Department of this second serious violation?
- 2) How many total consumers from North Dakota and outside North Dakota have had their personal/private information exposed in this latest incident?
- 3) Provide to me names and addresses of *all* North Dakota consumers whose personal/private information has been compromised, so we may communicate with these policyholders independently.
- 4) Provide to me weekly reports of any contacts with these North Dakota policyholders regarding this incident, as well as with the 44 North Dakota consumers affected by the prior breach.

As you have been made aware in my letter of May 31, 2006, allowing an unauthorized individual access to a policyholder's non-public, personal financial information violates North Dakota Administrative Codes 45-14-01-11. Please know that I will use all provisions in state law to protect North Dakota consumers, including the prevention of marketing Humana Inc. policies through a cease and desist order, if evidence is not shown that policies, procedures and remedies are in place to protect North Dakota consumers who are buying your insurance products.

As a Commissioner elected by the people of North Dakota to protect their interests, I continue to take these breaches of consumer trust very seriously. Again, I am awaiting your prompt response.

Sincerely,



Jim Poolman
Insurance Commissioner
State of North Dakota

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Enc.

cc: Alex Trujillo, CMS, Denver
R. Glenn Jennings, Executive Director, Kentucky Office of Insurance